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**The Haven, Inc.**

**Financial Statements  
And Independent Auditor's Report  
June 30, 2000**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 08-07-01

**The Haven, Inc.**

**Financial Statements and Independent Auditor's Report  
As of and for the Year Ended  
June 30, 2000**

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**Martin  
and  
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Houma, Louisiana 70361

*Certified Public Accountants  
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### **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
The Haven, Inc.  
Houma, Louisiana

We have audited the accompanying statement of financial position of The Haven, Inc. (a nonprofit organization) as of June 30, 2000, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Haven, Inc. as of June 30, 2000, and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 17, 2001, on our consideration of The Haven, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

*Martin and Pellegrin*

January 17, 2001

## **FINANCIAL STATEMENTS SECTION**

**The Haven, Inc.**

**Statement of Financial Position  
June 30, 2000**

**ASSETS**

Current Assets:

Cash and cash equivalents	\$ 1,227
Unconditional promises to give:	
Individual donor	30,000
Corporate grants	23,393
Government grants	21,884
Total current assets	<u>76,504</u>

Property and equipment (net of accumulated depreciation of \$ 35,904)	<u>148,099</u>
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<b>TOTAL ASSETS</b>	<u><u>\$ 224,603</u></u>
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**LIABILITIES AND NET ASSETS**

Current Liabilities:

Cash overdraft	\$ 21,803
Current maturities of capital lease payable	1,950
Line of credit	18,622
Note payable	8,000
Accounts payable	38,062
Accrued expenses	8,614
Total liabilities	<u>97,051</u>

Capital lease payable, net of current maturities	<u>6,605</u>
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Net Assets:

Unrestricted net assets	97,554
Temporarily restricted	23,393
Total net assets	<u>120,947</u>

<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 224,603</u></u>
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See accompanying notes to financial statements.

**The Haven, Inc.**

**Statement of Activities  
Year Ended June 30, 2000**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>REVENUES AND OTHER SUPPORT</b>			
Grants			
Government	\$ 165,777		\$ 165,777
United Way		\$ 37,642	37,642
Total grant revenue	<u>165,777</u>	<u>37,642</u>	<u>203,419</u>
Cash contributions	130,236		130,236
In-kind contributions	54,753		54,753
Other	910		910
Revenue received in prior period released from restrictions in current period	<u>42,142</u>	<u>(42,142)</u>	<u>-</u>
<b>TOTAL REVENUES AND OTHER SUPPORT</b>	<u>393,818</u>	<u>(4,500)</u>	<u>389,318</u>
<b>FUNCTIONAL EXPENSES</b>			
Program services			
Sexual assault	141,288		141,288
Domestic violence	275,850		275,850
Fundraising	7,388		7,388
Management and general	<u>59,665</u>		<u>59,665</u>
<b>TOTAL FUNCTIONAL EXPENSES</b>	<u>484,191</u>		<u>484,191</u>
<b>DECREASE IN NET ASSETS</b>	(90,373)	(4,500)	(94,873)
<b>NET ASSETS, BEGINNING OF PERIOD</b>	<u>187,927</u>	<u>27,893</u>	<u>215,820</u>
<b>NET ASSETS, END OF PERIOD</b>	<u>\$ 97,554</u>	<u>\$ 23,393</u>	<u>\$ 120,947</u>

See accompanying notes to financial statements.

**The Haven, Inc.**

**Statement of Functional Expenses  
Year Ended June 30, 2000**

	Program Services			Management and General	Total
	Sexual Assault	Domestic Violence	Fundraising		
Salaries	\$ 75,069	\$ 145,133	-	\$ 30,027	\$ 250,229
Media and community education	20,809	35,431	-	-	56,240
Contract counselors	9,014	15,348	-	-	24,362
Insurance	7,044	13,618	-	2,817	23,479
Payroll taxes	5,467	10,570	-	2,187	18,224
Professional fees	-	-	-	16,611	16,611
Food and house supplies	1,433	12,894	-	-	14,327
Telephone	4,153	8,028	-	1,661	13,842
Depreciation	3,133	6,058	-	1,253	10,444
Office supplies	2,807	5,427	-	1,123	9,357
Utilities	2,357	4,557	-	942	7,856
Fundraising	-	-	\$ 7,388	-	7,388
Client assistance	2,397	4,081	-	-	6,478
Rent	1,597	3,087	-	639	5,323
Printing and educational material	1,350	2,611	-	540	4,501
Seminars, meals and travel	1,136	2,197	-	455	3,788
Interest	815	1,575	-	326	2,716
Miscellaneous	729	1,409	-	292	2,430
Repairs and maintenance	548	1,060	-	219	1,827
Bank charges	542	1,048	-	217	1,807
Postage	497	961	-	199	1,657
Advertising	212	410	-	85	707
Dues and subscriptions	179	347	-	72	598
Total	<u>\$ 141,288</u>	<u>\$ 275,850</u>	<u>\$ 7,388</u>	<u>\$ 59,665</u>	<u>\$ 484,191</u>

See accompanying notes to financial statements.

**The Haven, Inc.**

**Statement of Cash Flows  
Year Ended June 30, 2000**

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Decrease in net assets	\$ (94,873)
Adjustment to reconcile decrease in net assets to net cash used in operating activities:	
Depreciation	10,444
Decrease in operating assets:	
Receivables	28,484
Prepaid expenses	432
Increase (decrease) in operating liabilities:	
Cash overdraft	21,803
Accounts payable	18,487
Accrued expenses	<u>(5,245)</u>

**NET CASH FLOWS USED IN OPERATING ACTIVITIES** (20,468)

**CASH FLOWS USED IN INVESTING ACTIVITIES:**

Payments for equipment	<u>(10,200)</u>
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**CASH FLOWS FROM FINANCING ACTIVITIES:**

Proceeds from line of credit	46,622
Payments of line of credit	(38,000)
Proceeds from note payable	10,000
Payments of note payable	(2,000)
Proceeds from capital lease	9,009
Payments of capital lease	<u>(454)</u>

**NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES** 25,177

**NET DECREASE IN CASH AND CASH EQUIVALENTS** (5,491)

**BEGINNING CASH AND CASH EQUIVALENTS** 6,718

**ENDING CASH AND CASH EQUIVALENTS** \$ 1,227

**SUPPLEMENTAL INFORMATION:**

Cash paid during the year for interest	<u>\$ 2,716</u>
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See accompanying notes to financial statements.



**The Haven, Inc.**

**Notes to Financial Statements**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Haven, Inc. was organized in Louisiana as a non-profit organization for the purpose of establishing a comprehensive community-based response to sexual assault and inter-personal and family violence in Terrebonne Parish, Louisiana. The Organization provides crisis intervention, legal advocacy, counseling, and community education related to domestic violence and sexual assault. The Organization also provides temporary housing for women and children who are victims of domestic violence and/or sexual assault.

Significant accounting policies are as follows:

A. Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

B. Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Organization uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on management's analysis of specific promises made.

C. Fixed Assets

Fixed assets of the Organization, excluding donated property and equipment, are valued at cost. All donated property and equipment are recorded at estimated fair market value on the date of the donation. Assets are capitalized if costs exceed \$200 and if they have a useful life of at least one year. Depreciation of all exhaustible fixed assets is calculated using the straight-line method, and is charged as an expense against operations. Fixed assets reported on the statement of financial position are net of accumulated depreciation.

**The Haven, Inc.**

**Notes to Financial Statements**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

**D. Functional Allocation of Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**E. Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**F. Cash and Cash Equivalents**

Cash equivalents consist of highly liquid investments with an initial maturity of three months or less. Fair value approximates carrying amounts.

**G. Income Taxes**

No provisions for income taxes have been made. The Internal Revenue Service has issued The Haven, Inc. an advance ruling letter exempting the Organization from income taxes. (See Note 2)

**NOTE 2 – INCOME TAXES**

The Haven, Inc. is a non-profit corporation organized under the laws of the State of Louisiana. The Haven has received an advance ruling letter from the Internal Revenue Service in which it has been recognized by the Internal Revenue Service as being exempt from income taxes under Internal Revenue Code Section 501(c)(3).

The Internal Revenue Service has further determined the Organization not to be a private foundation as within the meaning of Internal Revenue Code Section 509(a). Contributions to The Haven are deductible as provided by Section 170 of the Internal Revenue Code. The Haven is not involved in any trade or business unrelated to the purpose for which it received its exemption from income taxes.

**The Haven, Inc.**

**Notes to Financial Statements**

**NOTE 3 – PROMISES TO GIVE**

Unconditional promises to give consist of the following:

Government grants:

State of Louisiana:

LA Commission on Law Enforcement and Administration  
of Criminal Justice

\$ 17,455

Office of the Governor/Office of Women's Services

4,429

\$ 21,884

Corporate grants:

United Way for South Louisiana

\$ 23,393

Individual donor

\$ 30,000

All unconditional promises to give are due within one year and are considered to be fully collectible by management.

The amount due from United Way for South Louisiana represents the Organization's allocation for the remainder of calendar year 2000.

The unconditional promises to give from the United Way for South Louisiana are temporarily restricted as to the expiration of time restrictions. All other unconditional promises to give are unrestricted.

**NOTE 4 – IN-KIND CONTRIBUTIONS**

In-kind contributions represent the estimated fair rental value of office space and general corporate goods and services provided. Contributed goods are valued at fair market value on the date of the donation. Contributed services are reflected in the financial statements at the fair value of the services received. The contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

**The Haven, Inc.**

**Notes to Financial Statements**

**NOTE 4 – IN-KIND CONTRIBUTIONS (Cont.)**

The following is a summary of in-kind contributions for the year ended June 30, 2000:

	Estimated Market Value
Billboards	\$ 28,800
Television advertising	7,200
Accounting and auditing services	6,803
Office space	4,800
Fundraiser invitations	3,700
Newspaper advertising	2,400
Public service announcements production	750
Bottled Water	300
	<u>\$ 54,753</u>

The value of donated volunteer services is not reflected in the accompanying financial statements since there is no objective basis available by which to measure the value of such services. However, a substantial number of volunteers have donated significant amounts of their time in the Organization's program, administrative, and fund-raising activities.



**The Haven, Inc.**

**Notes to Financial Statements**

**NOTE 5 – FIXED ASSETS**

A summary of changes in fixed assets is as follows:

	Balance July 1, 1999	Additions	Retirements	Balance June 30, 2000
Building	\$ 141,100	-	\$ -	\$ 141,100
Furniture, fixtures, and equipment	32,703	\$ 10,200	-	42,903
Less: accumulated depreciation	(25,460)	(10,444)	-	(35,904)
Total	<u>\$ 148,343</u>	<u>\$ (244)</u>	<u>\$ -</u>	<u>\$ 148,099</u>

**NOTE 6 – FAIR VALUES OF FINANCIAL INSTRUMENTS**

The Haven's financial instruments, none of which are held for trading purposes, include cash and cash equivalents and contributions receivable. Management estimates that the fair value of all financial instruments at June 30, 2000, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statement of financial position.

**NOTE 7 – RESTRICTIONS ON NET ASSETS**

The restrictions on net assets at June 30, 2000 relate to United Way Services funding for the remainder of calendar year 2000.

**NOTE 8 – LINE OF CREDIT**

The Organization has a revolving line of credit agreement at a local bank to aid in cash flow management. The line has a borrowing limit of \$20,000, an interest rate of 9% on outstanding balances, requires monthly payments of accrued interest only, and is unsecured. At June 30, 2000, the Haven, Inc. had an outstanding principal balance of \$18,622. Interest paid under this agreement for the year ended June 30, 2000 totaled \$1,940. The line of credit matures on May 3, 2001 at which time all outstanding principal and interest is payable.

**The Haven, Inc.**

**Notes to Financial Statements**

**Note 9 – NOTE PAYABLE**

On November 19, 1999 the Organization entered into an unsecured note with a local bank to assist with cash flow. The note is for \$10,000, includes an interest rate of 9%, requires monthly payments of accrued interest only, and matures on May 3, 2001 at which time all unpaid principal and interest is due. The unpaid balance on this note at June 30, 2000 is \$8,000. Interest expense for the year ended June 30, 2000 related to this note is \$475.

**NOTE 10 – CAPITAL LEASE**

Capital lease payable consists of the following:

Capital lease to a financing company dated March 21, 2000, secured by office equipment, bears interest at a rate of 11%, <i>payable in 48 monthly installments of \$233, including interest</i>	\$	8,555
Less current maturities		(1,950)
Capital lease, net of current maturities	\$	<u>6,605</u>

Scheduled maturities are as follows:

<u>Year Ending June 30,</u>	<u>Maturities</u>
2001	\$ 1,950
2002	2,174
2003	2,427
2004	<u>2,004</u>
Total	<u>\$ 8,555</u>

The leased property under capital lease as of June 30, 2000 has a cost of \$9,010, accumulated amortization of \$440, and a net book value of \$8,570. Amortization of the leased property is included in depreciation expense.

**The Haven, Inc.**

**Notes to Financial Statements**

**NOTE 11 -- GOVERNMENT GRANTS**

During the year ended June 30, 2000 the Organization recognized grant revenue from the following governmental grantors:

**Governmental Grants**

State of Louisiana:

Office of the Governor/Office of Women's Services	\$ 98,050
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LA Commission on Law Enforcement and Administration of Criminal Justice	52,973
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Office of Public Health	13,254
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Houma-Terrebonne Arts and Humanities Council	<u>1,500</u>
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Total government grants	<u>\$ 165,777</u>
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**NOTE 12 -- UNITED WAY GRANT**

The grant revenue from the United Way for South Louisiana reflected in these financial statements is the Organization's calendar year 2000 grant (\$38,468) less the unused portion (\$826) of a venture grant awarded in a previous fiscal year.

**SPECIAL REPORT OF CERTIFIED PUBLIC ACCOUNTANTS**



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and  
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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors  
The Haven, Inc.  
Houma, Louisiana

We have audited the financial statements of The Haven, Inc. as of and for the year ended June 30, 2000, and have issued our report thereon dated January 17, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether The Haven Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance that is required to be reported under *Government Auditing Standards* that is described in the accompanying schedule of findings and questioned costs as item 00-1.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered The Haven, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of

performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However we noted other matters involving the internal control over financial reporting which we have reported to management of The Haven, Inc. in a separate letter dated January 17, 2001.

This report is intended solely for the information of the Board of Directors, management, others within the organization, the Louisiana Legislative Auditor, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Martin and Pellgrini*

January 17, 2001

## **SUPPLEMENTAL INFORMATION**

## **The Haven, Inc.**

### **Schedule of Findings and Questioned Costs As of and For the Year Ended June 30, 2000**

#### **Section I -- Summary of Auditor's Results**

1. The auditor's report expresses an unqualified opinion on the financial statements of The Haven, Inc.
2. No reportable conditions were noted during the audit of the financial statements.
3. One instance of noncompliance material to the financial statements of The Haven, Inc. required to be reported in accordance with *Government Auditing Standards*, was disclosed during the audit. (See finding 00-1 below)
4. A management letter was issued.

#### **Section II -- Financial Statement Findings**

00-1

Condition: A violation of state law due to the filing of the Organization's audit report with the Louisiana Legislative Auditor after its due date, December 31, 2000.

Criteria: As per state statute, audits that fall under the oversight of the Louisiana Legislative Auditor are required to be completed and forwarded to his office no later than six months after the Organization's year end.

Effects of Condition: The Organization is in violation of Louisiana state law.

Cause of Condition: The Organization engaged a certified public accountant to perform the required audit in September 2000. At that time fees from the previous year's audit due this CPA firm remained unpaid. Due to professional standards, the CPA firm is precluded from issuing an audit report on a client for which it has unpaid fees for any professional services provided more than one year prior to the date of the report. The Organization felt it would have sufficient cash flows to satisfy these fees at a time that would still allow the CPA firm ample time to complete the examination and meet all reporting deadlines. This did not occur as such fees were not satisfied until January 2000.

Recommendation: In the future, the Organization should engage an independent auditor and allow ample time for the engagement to be completed in accordance with prescribed timelines.

**The Haven, Inc.**

**Schedule of Findings and Questioned Costs  
As of and For the Year Ended  
June 30, 2000**

Response: The Management of The Haven, Inc. agrees with this finding.

Questioned Costs: \$ -0-

**Section III – Federal Award Findings and Questioned Costs**

This section is not applicable.

**The Haven, Inc.**

**Schedule of Prior Findings and Resolution Matters  
As of and For the Year Ended  
June 30, 2000**

Note: All prior findings relate to the June 30, 1999 audit engagement.

**Section I -- Internal Control and Compliance Material to the Financial Statements**

99-1

Condition: Because of the condition of the Organization's record keeping, an audit was unable to be completed and filed timely as required by Louisiana State Statute.

Recommendation: The recommendation to the Organization was that records should be maintained in an organized fashion in order to facilitate a timely audit.

Status: At June 30, 2000 the condition of the Organization's record keeping has been resolved. However, the Organization was delinquent in completing its audit for the year ended June 30, 2000 due to an unrelated reason. (See Current Year Finding 00-1)

**Section II -- Internal Control and Compliance Material to Federal Awards**

This section is not applicable.

**Section III -- Management Letter**

Maintenance of Filing System

Condition: The condition of the filing system diminishes its usefulness, increasing the amount of time needed to locate pertinent information.

Recommendation: Current files need to be cleaned up and old files should be transferred to storage.

Status: Resolved.

Supporting Documentation for Expenses

Condition: No supporting documentation could be located for certain transactions.

Recommendation: All cash disbursements should have supporting documentation attached and should be properly filed.

**The Haven, Inc.**

**Schedule of Prior Findings and Resolution Matters  
As of and For the Year Ended  
June 30, 2000**

Status: During the current year audit two instances were noted whereby supporting documentation for a transaction could not be located. This situation will be included in the current year management letter.



**The Haven, Inc.**

**Management's Corrective Action  
Plan for Current Year Findings  
As of and For the Year Ended  
June 30, 2000**

The contact person for all corrective actions noted below is Monique Rhodes-Monoc, Executive Director.

**SECTION I -- INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE  
FINANCIAL STATEMENTS**

00-1

Condition: A violation of Louisiana state law due to the audited report being submitted after the statutory deadline.

Recommendation: The Organization should annually engage an independent auditor and allow ample time to complete and submit the Organization's annual audit report.

Planned Actions: The Organization will implement the recommendation.

**SECTION II -- INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL  
AWARDS**

This section is not applicable.

**SECTION III -- MANAGEMENT LETTER**

Supporting Documentation for Expenses

Condition: No supporting documentation could be located for two transactions.

Recommendation: All cash disbursements should have supporting documentation attached and should be properly filed.

Planned Action: All cash disbursement items will not be processed for payment until adequate supporting documentation has been received, reviewed for accuracy, and maintained in the Organization's files.

Proper Number of Signatures on Organization Check

Condition: One instance was noted whereby the proper number of signatures (2) was not included on a check that was cleared by the Organization's bank.

Recommendation: The Office Manager must ensure that all checks have the proper number of signatures prior to their release and should review the checks returned in each bank statement to monitor this situation.



**The Haven, Inc.**

**Management's Corrective Action  
Plan for Current Year Findings  
As of and For the Year Ended  
June 30, 2000**

Planned Action: The Organization will implement the recommendation as detailed above.

**The Haven, Inc.**

Management Letter

June 30, 2000

**Martin  
and  
Pellegrin**

103 Ramey Road  
Houma, Louisiana 70361

*Certified Public Accountants  
(A Professional Corporation)*

Ph. (504) 851-3638  
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January 17, 2001

To the Board of Directors  
The Haven, Inc.  
Houma, Louisiana

In planning and performing our audit of the financial statements of The Haven, Inc. for the year ended June 30, 2000, we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control.

However, during our audit, we became aware of matters that are opportunities for strengthening internal controls and operating efficiency. The detail below summarizes our comments and suggestions regarding those matters. This letter does not affect our report dated January 17, 2001, on the financial statements of The Haven, Inc.

Supporting Documentation for Expenses

During testing of expenses, adequate documentation could not be located for two transactions. An adequate system of internal control includes mechanisms to ensure that all expenditures contain adequate supporting documentation. We recommend that all disbursements have some form of supporting documentation attached to the check stub and are properly filed.

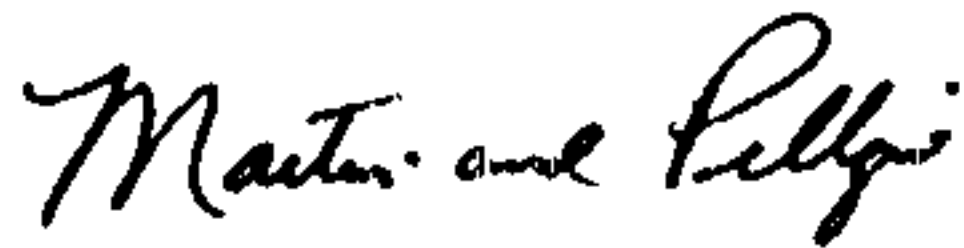
Proper Number of Signatures on Organization Check

During testing of expenses, it was noted that one check clearing the Organization's bank account had only one signature while the account requires two. An adequate system of internal control includes mechanisms to ensure that all checks include the proper number of signatures as adopted by the Board of Directors. We recommend that the office manager should ensure that all checks have the proper number of signatures prior to their release and should review the checks returned in each bank statement to monitor this situation.

Board of Directors  
The Haven, Inc.  
January 17, 2001  
Page 2

We will review the status of these comments during our next audit engagement. We will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

Sincerely,

A handwritten signature in cursive script that reads "Martin and Pellegrin".

Martin and Pellegrin, CPA's (PC)